

AR42



Dominion Textile Limited
Annual Report 1975



The stylized yarn cone embossed on the front cover symbolizes the basic product — yarn — which is common to the vast majority of the goods produced and sold by the Dominion Textile group of companies. The traditional high quality of the end product results from reliable basics.

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Stock Transfer and Dividend Disbursing Agent

The Royal Trust Company:
principal offices in Montreal,
Toronto and Vancouver

Stock Registrar

Montreal Trust Company:
principal offices in Montreal,
Toronto and Vancouver

Trustee: 5¾ % Convertible debentures, 1992

Montreal Trust Company:
principal offices in Montreal,
Toronto, Winnipeg, Calgary
and Vancouver

Stock Exchange Listings

Montreal and Toronto

Annual Meeting

The annual meeting of shareholders will be held at 3:30 p.m. on Wednesday, October 15, 1975, at the head office of the Company, 1950 Sherbrooke Street West, Montreal.

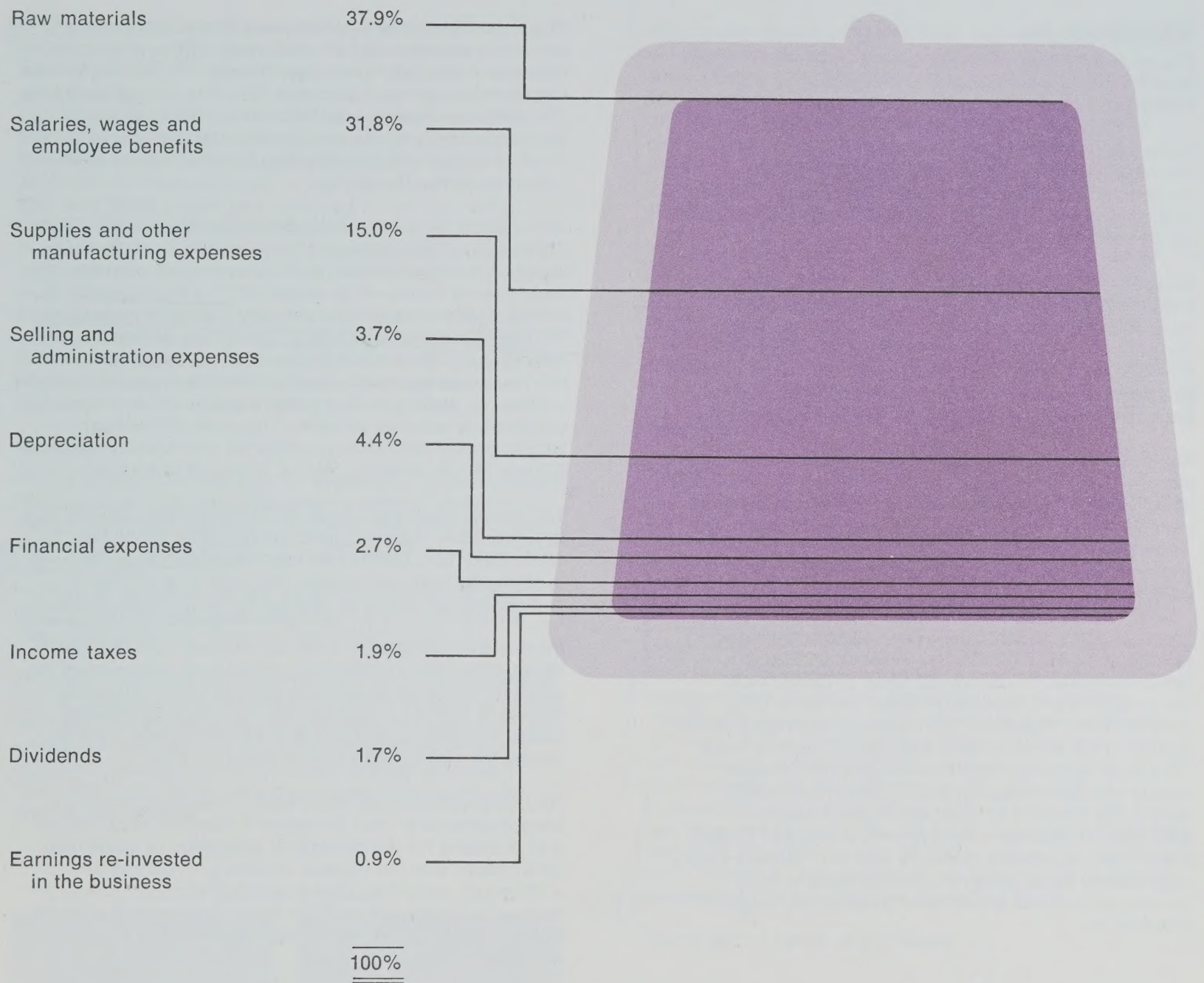
Highlights

(in thousands of dollars)

	1975	1974
Sales	\$273,355	\$336,243
Income before income taxes	12,274	33,086
Net income for the year	7,118	18,753
Cash generated from operations	\$ 21,947	\$ 34,821
Additions to fixed assets	21,691	17,825
Working capital	109,649*	84,084
Long term debt	109,656*	54,843
Shareholders' equity	110,525	108,337
In dollars per convertible share:		
Net income	\$ 0.91	\$ 2.40
Cash generation	2.81	4.46
Dividends	0.60	0.50
Book value	14.13	13.82
Number of employees	10,100	12,400
Salaries, wages and employee benefits	\$ 87,000	\$102,200

*Including DHJ Industries Inc.

Distribution of 1975 revenue dollar



Report to the Shareholders

The year's results

The year under review, which ended June 30, 1975, has been a most challenging and exciting one for your Company.

While we are naturally disappointed that our level of earnings has fallen significantly from the record performance of the previous year, the results achieved rank among the best performances by companies in the textile industry in North America.

Sales for the year amounted to \$273 million, down 19% from the preceding record year. Net income of \$7.1 million represented earnings per convertible share of \$0.91 compared with 1974's all-time high of \$2.40 per share. All sectors of the Company suffered a decline in earnings and both Penmans and Lana Knit reported losses on their operations, as was the case in the previous year.

The quarterly dividend rate, which was raised to 15 cents per common share during fiscal 1974, resulted in 60 cents being paid out during the year compared with 50 cents per common share last year. This represented the fifth consecutive year in which total payments to shareholders had increased from the 20 cents per common share paid in 1970.

The year was marked by the most sudden and severe decline in demand for textiles in memory. The abrupt halt in new orders was not confined to Canada but occurred in world markets at about the same time. The pattern of shortages, full plant activity and rising textile prices, which had prevailed throughout most of fiscal 1974, was replaced, almost overnight, by customer resistance and hesitancy, price erosion and major reductions in levels of plant activity and textile employment. Excess inventory from a troubled United States' textile industry found its way into Canada sorely aggravating the problem of distress imports from low-wage countries which have traditionally plagued this market.

This was also a year in which the Company completed extremely complex and difficult negotiations and signed two-year collective labour agreements with various unions representing the work forces in 22 of our Canadian plants. The settlements were reached without major work stoppages and provide our Canadian textile worker with more in wages and benefits than his counterpart in any other country in the world.

As part of a program to broaden its participation in the international textile scene, Dominion Textile took a very significant step in March 1975 by making an offer to purchase all outstanding shares of DHJ Industries Inc., a New York-based textile company with an annual sales volume of some \$180 million. Through its domestic operations in the United States, DHJ produces specialized fabrics, including interlinings and interfacings, indigo-dyed denims, as well as double knits. It also sells, and in some cases manufactures, various of its products through wholly-owned subsidiaries, affiliates and distributors in Europe, South America, Africa, Asia and Australia.

The tender price was US \$5.50 per share and control of DHJ Industries was acquired in May 1975. As of June 30, 1975, Dominion Textile had purchased 94.9% of the outstanding common shares. The total cost of the acquisition amounted to \$9.2 million in Canadian dollars. 95

Prior to this Company's offer to purchase, DHJ had been negotiating with its creditors, seeking an extension of the payment terms on its existing indebtedness with trade creditors, lessors of equipment, insurance companies, banks and others, as a result of serious losses incurred during the nine months ended March 1, 1975.

DHJ's agreement with the creditors was completed concurrently with your Company's acquisition of control and provided for the deferral or extension of scheduled repayments with the various classes of creditors over a 42-month period at substantially lower costs. Initial payments have been made in accordance with the terms of the agreement which ultimately calls for DHJ to repay all creditors in full.

Additional financing of US \$10 million was also made available through a revolving loan agreement whereby your Company and DHJ's banker each committed \$5 million to be provided, as required, on a dollar for dollar basis. Of the total amount, \$4 million was provided at the time the agreements were signed on May 21, 1975, in order to improve DHJ's working capital position. Dominion Textile did not guarantee any of the existing debt of DHJ, nor of any of its subsidiary companies, and, with respect to their ongoing operations, does not intend to do so.

DHJ reported losses of nearly US \$25 million for the year ended May 31, 1975. The losses included \$9 million for write-offs related to discontinued operations, as well as an operating loss of more than \$3 million from the same sources sustained prior to the time operations were discontinued. Also included was nearly \$5 million in inventory write-downs and cancellations of future purchase commitments due to the abrupt decline in fibre, yarn and fabric prices that occurred in the last half of 1974. There were in addition significant losses in the double knit operations as well as extraordinary expenses related to negotiations with creditors and staff reductions.

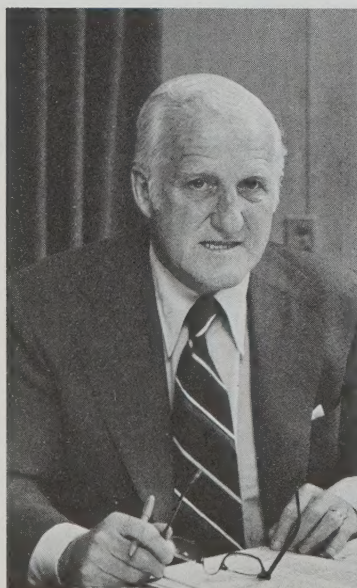
Encouraging progress has been achieved in reducing overhead, and in realigning DHJ's operations, finances and organizational structure, to provide for a return to a profitable basis and for its full participation in the recovery of textile activity throughout the world.

Outlook

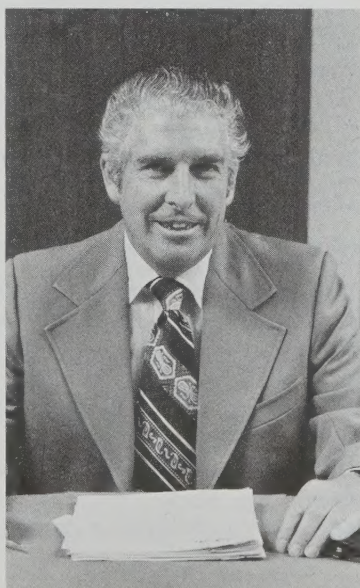
We have stated on a number of occasions the fundamental fact that profitable operations in the primary textile industry are only possible of achievement provided plant facilities are fully utilized.

In the year under review we operated most of our plants at considerably less than capacity and the low activity was reflected in our earnings performance.

In recent weeks we have seen a strengthening in demand and firming of prices for some classes of textiles in world markets. The extent to which international textile markets strengthen, particularly the United States, will have a significant bearing on our earnings results next year. The signs are brighter now than at any time during the past twelve months.



Ronald H. Perowne



Thomas R. Bell

With a view to reducing overhead and operating expenses we have reluctantly taken the decision to close our Mount Royal spinning and weaving facility in Montreal, to discontinue bleaching, dyeing and finishing operations at Fireside Fabrics and to cease operations in a major section of our Penmans plant in St. Hyacinthe. The production from these units will in large measure be transferred to other plants in the Company in order to provide more stable levels of production.

We are making steady progress in our efforts to mould an effective Dominion Textile-DHJ organization. The combined marketing and manufacturing strengths of the two companies are considerable and, while we caution our shareholders not to expect immediate returns from this acquisition, we are confident in our ability to properly motivate and harness the best features of both companies. As this objective is achieved substantial benefits will accrue to both.

Despite the many representations made to the Federal Government, by both management and labour, during the past year with respect to import competition, the pleas of the Canadian textile industry have been singularly ineffective. At June 30, 1975, Dominion Textile had 2300 fewer hourly and salaried staff on its payroll than it had a year earlier. This represents a reduction, through lay-off or termination, of close to 20% of its work force.

As our plants reach obsolescence they are not being replaced here in Canada. In the absence of positive, meaningful action on the part of Ottawa the erosion will continue, as the burden of social dislocation, overhead and expense, associated with massive fluctuations in plant activity and employment levels, is becoming increasingly impossible to bear. These remarks are in no way intended to imply that we have become disenchanted with the Canadian market. On the contrary, the Company will continue its aggressive efforts to increase its sales in Canada and further improve its market share.

Submitted on behalf of the Board

A handwritten signature in dark ink, appearing to read 'R. Perowne'.

Chairman of the Board and Chief Executive Officer

A handwritten signature in dark ink, appearing to read 'T. Bell'.

President and Chief Operating Officer

Montreal, Quebec
August 6, 1975

T. R.

The Year in Review

OPERATIONS

Apparel and Consumer Products Division

The major worldwide recession of the past twelve months brought about a decline of 18% in the Division's sales from the preceding year.

Because of poor world trading conditions, the export segment of our operations was the first to feel the impact of the recession and volume was adversely affected. The Company's total export sales declined \$7.6 million to \$21.4 million, or 7.8% of total sales, compared with 8.6% last year. Recently, however, our backlog of export orders has improved.

In the domestic market for Apparel Fabrics our performance was seriously affected by offerings and imports of distress merchandise both from Asia and the United States. Fabrics from these sources were sold at discounts by as much as 50% off the pricing levels of the preceding eighteen months. Coupled with the foregoing were major inventory reductions on the part of our customers and their customers.

Sales volume in Consumer Products was maintained at reasonable levels. On the plus side, shipments of TEX-MADE sheets, pillow slips and retail fabrics established new records. CALDWELL towels continued to hold their strong share of the market. However, in Home Furnishings volume was off substantially and activity in this group was similar to Apparel Fabrics.

There are a number of signs that a return to a better market will take place in the quarter ending December 1975 and this trend is expected to improve in the last half of the year. Modest price increases have been achieved recently on most Apparel Fabrics. An exciting new line of fabrics with a totally different dimension has been well received by Canadian garment manufacturers. These are being dyed and finished at Hubbard Dyers.

In the fall of 1975, Consumer Products will, for the first time, market a range of CALDWELL sheets and pillow slips to achieve greater penetration of this market.

Activity in all plants in the Division was reduced during the past twelve months with the exception of the Sherbrooke plant which produces fabrics for sheets and pillow slips. Reduced operation varied widely from plant to plant depending upon product mix. As of the beginning of the new fiscal year all plants, with one exception, were running on standard hours or were scheduled to return to them as soon as possible.

During the fiscal year, the following capital expenditure projects were either completed or well under way:

Magog Fabrics: The \$10 million spinning and weaving project will be completed by December 1975. Wider fabric, in greater variety, at better margins, will be supplied by 566 new looms. These facilities will help us to continue to meet our customers' quality requirements. Furthermore, the services being installed at this plant will enable us to produce blend fabrics throughout this unit and we are embarking on major new programs in polyester/cotton and polyester/rayon blends. When the project is completed, the working environment in this plant will be substantially improved.

Richelieu: The Company's first major installation of open-end spinning, a major breakthrough in spinning technology, is close to completion and is expected to be in production in September 1975.

Sherbrooke: The installation of Sulzer weaving machines in our sheeting operations, begun two years ago, was extended by the addition of 52 new machines, bringing the total to 200 in this plant.

Magog Print Works: The \$3.2 million effluent plant was completed and is in operation. We added a second screen-printing unit to take care of the requirements of our Consumer Products group. It will be operational by October 1975.

The operations of a wholly-owned corduroy fabrics subsidiary, Fireside Fabrics (Canada) Ltd., were integrated with those of the Apparel and Consumer Products Division on July 1, 1975. This move is expected to achieve major savings and will enable the Company to adapt more easily to the swing to blends in the corduroy field.

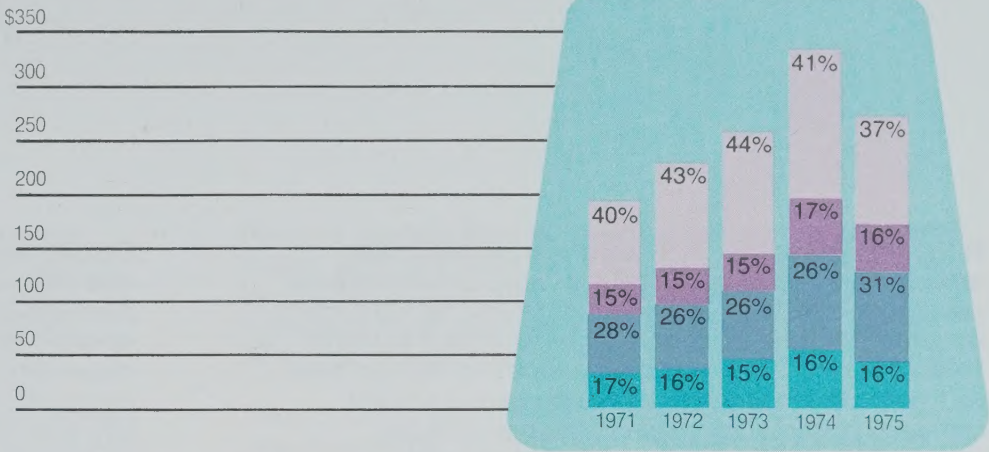
Industrial and Sales Yarn Division

After attaining record highs in price and demand in 1974, the sharp reversal in world textile markets affected the sales and profitability of this Division in the past year.

Customers' inventory reduction programs were particularly significant causing a decline in the price of all yarns and fabrics at a time when other costs such as energy, labour, transportation and plant machinery supplies continued to escalate.

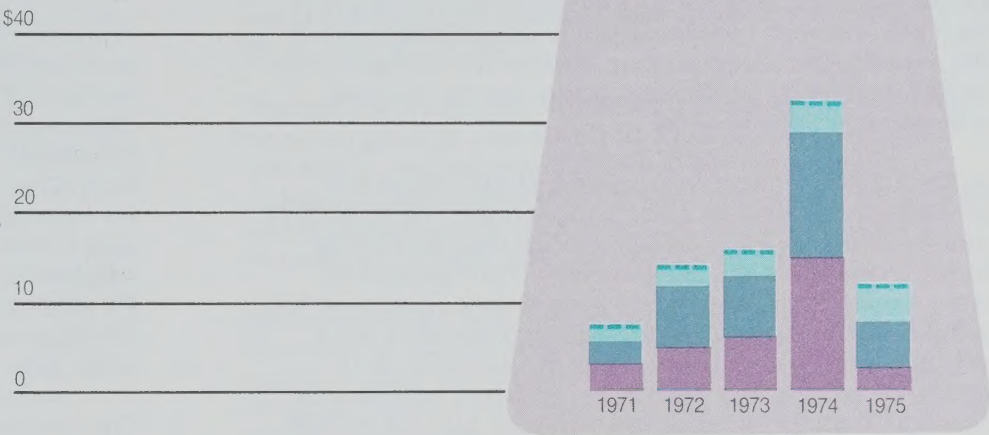
Sales by major product classification
(millions of dollars)

- Apparel fabrics
- Cotton and blended yarns
- Consumer products
- Industrial fabrics



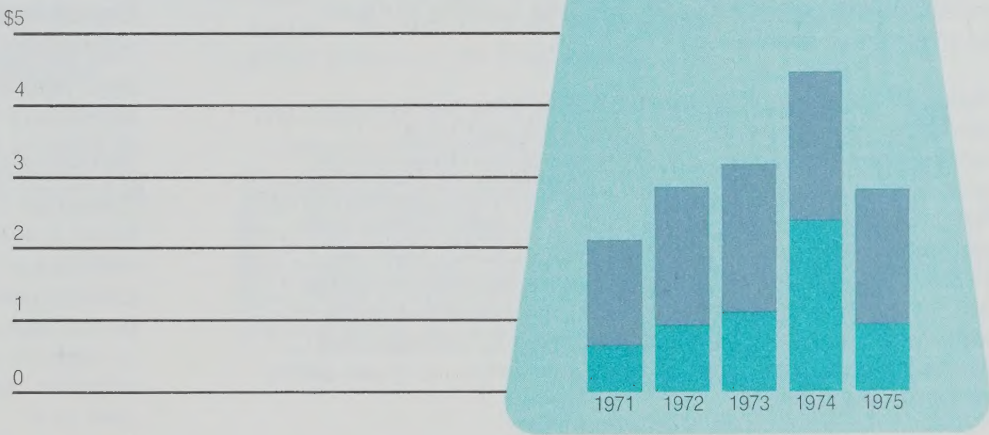
Distribution of earnings
(millions of dollars)

- Income before income taxes
- Dividends
- Income taxes
- Earnings re-invested

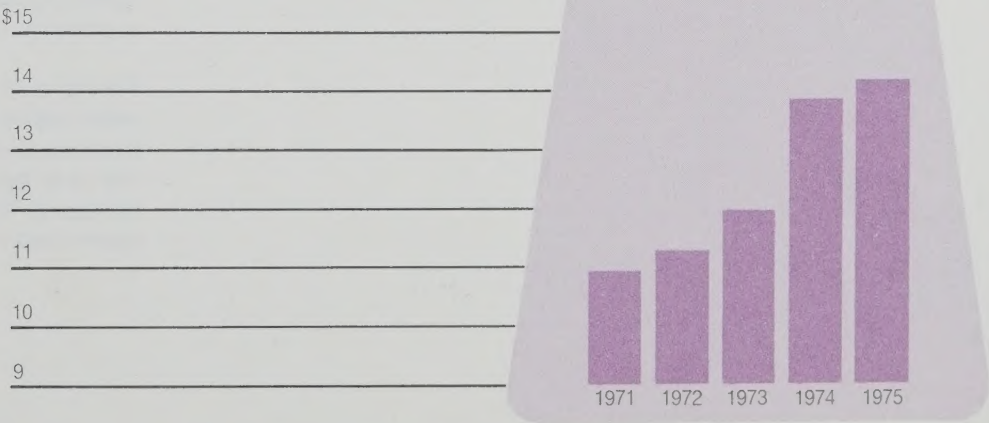


Net income and cash generation per share

- Cash generation
- Net income



Book value per share



In the last half of the 1974 fiscal year, import quota restraints on cotton yarn from low-wage countries were suspended and, following a further review by the Federal Government, were placed under surveillance in March 1975. Imports of both yarns and fabrics which had been on the wane during the tight market period of 1974 started to reappear as volume offerings at highly competitive prices, particularly from U.S. mills.

In this atmosphere of reduced demand and external pressures, the Company maintained its market share in yarn and industrial products, but at lower levels, and at the expense of reduced prices. Production cutbacks had to be instituted in all Division plants during the year, with some lengthy lay-offs.

In the Yarn Products group, often the bell-wether for textile activity, the first cracks appeared in the June 1974 quarter and yarn plant activities were rescheduled to lower levels in the following quarter. Yarn shipments were somewhat disappointing even though cushioned by a three-fold increase in export sales. Shipments were off 19% from the record levels of the previous year. However, activity was maintained at levels sufficient to hold our labour force together. After the first six months inventories had been brought into line and a perceptible improvement was noted in new bookings and shipments. By the end of June 1975 all our yarn plants were scheduled to run at capacity and the outlook for next year appears promising.

Sales of Industrial Fabrics, by their very nature, were particularly affected by the recession and high unemployment levels and the outlook for these goods was aggravated by the continuing slump in the automotive field. Shipments were off by 18% and, with higher than normal inventories, production was at much reduced levels during most of the year. It was only towards the end of the final quarter that bookings started to exceed shipments. Inventories were declining to manageable levels and production is expected to return to three shifts within a few months.

Despite cutbacks in automotive production, tire cord operations were maintained at satisfactory levels throughout the year bolstered as they were by good demand for truck and off-the-road tires and strong export shipments. At the close of the year new long-term contracts were negotiated with major domestic accounts but, with the continuing malaise in the automotive field and uncertainties attributable to steadily rising gasoline prices, export markets will need to be even more aggressively pursued.

Towards the close of our fiscal year a decision was made to close the Mount Royal greige fabric plant and to realign and consolidate its product mix among other Company plants. The plant is expected to wind down by November 1975. This facility, a multi-storied structure built 67 years ago, cannot be economically modernized for manufacturing purposes. Where feasible, alternative jobs at other plants will be offered to long-service employees. Working jointly with the Federal and Provincial Governments and the Union, retraining and other assistance programs will be pursued where no other jobs are available within the Company.

The reorganization and modernization of the Yarmouth plant was completed during the course of the year at a capital cost of \$4.5 million.

Canadian Subsidiaries

The worldwide recession in the textile industry over the past year affected the apparel fabrics market of the subsidiary companies to the greatest extent. The excess of knitting production capacity, which peaked throughout the world in mid-1974, caused serious dislocations in the Canadian double knit market. To minimize the effect of these conditions Lana Knit consolidated its knitting facilities at the Decarie Boulevard plant in Montreal, closing out its operations in Paris, Ontario and Grand'Mère, Quebec. Lana's early work in the sublistatic, or paper-transfer printing field, has enabled it to substantially increase this part of its business over the past year.

Hubbard Dyers in Montreal East suffered a 2½-month work stoppage. Its volume of commission dyeing and finishing has partially recovered since the strike and we expect increasing improvement in the coming year.

The sale of blankets, bedspreads and draperies held up reasonably well during the downturn in the economy and Esmond Mills' production capacity was expanded during the year particularly in the non-woven product area. This company is now in an excellent position to meet expanded demands as the economy improves.

Sales of knit underwear and sportswear were seriously reduced by an 11-month strike which occurred at the Penmans plant in St. Hyacinthe. Our inability to ship a great many of these products weakened our position in the market-place. The yarn, felt and fabric dyeing and finishing operations at St. Hyacinthe have been terminated. Strong efforts are now being directed towards regaining our market position during the current fiscal year.

Sales of polypropylene carpet backing were substantially curtailed because of the St. Hyacinthe strike. A new needle-punch line has now been installed at Hawkesbury and progress is being made towards reestablishing Fiberworld as an important supplier of this product.

The demand for non-woven products and interlining fabrics remained firm during the year.

FINANCIAL

Net income declined to \$7.1 million or \$0.91 per share (\$0.83 per share on a fully-diluted basis). Decreases in selling prices, higher operating costs including energy and labour costs, and lower utilization of our manufacturing capacity all contributed to the decline in profit. On the other hand, raw material prices decreased in 1975. The year brought with it some relative stability in the price of raw cotton at prices well below the peaks of 1974 and man-made fibres once again came into plentiful supply at lower price levels. However, at the close of the fiscal year, higher demand and increased costs for oil brought about a rising trend in the price of most man-made fibres.

Cash generated from operations of \$21.9 million remained at a healthy level although it declined appreciably from 1974.

Planned capital expenditure programs were not curtailed during 1975. We spent \$21.7 million in additions to fixed assets and provision for depreciation was \$12.1 million. Expenditures of approximately \$14 million have already been approved for fiscal 1976.

The operating results of DHJ Industries Inc., for its fiscal year ended May 31, 1975, have not been included with the results of the Company because the acquisition was completed only a few days prior to our new subsidiary's year-end. However, DHJ's assets and liabilities as at that date have been consolidated with those of the Company as at June 30, 1975.

To reflect the changes in Dominion Textile's consolidated financial position resulting from the acquisition of DHJ, this year's consolidated balance sheet presents the financial position both excluding and including the assets and liabilities of DHJ. Next year, the Company plans to revert to its usual balance sheet presentation.

DHJ contributed \$29.7 million of working capital to the Company's consolidated financial position. Working capital at year-end stood at \$109.6 million, an increase of \$25.6 million from a year ago. The working capital ratio dropped moderately to 1.91. DHJ added \$69 million in accounts receivable and inventories to the Company's current assets. Otherwise, receivables declined and inventories showed little change from the position a year earlier. Through DHJ we acquired an additional \$15.2 million of net fixed assets.

The liabilities of DHJ, including its long term debt, have a material effect on our consolidated balance sheet. As stated earlier, Dominion Textile has not guaranteed any of the debts of DHJ. As of its balance sheet date, DHJ had an unrealized future tax benefit of approximately \$9 million arising from its tax loss carry-forward. No value has been attributed to this future tax benefit in the consolidated accounts.

After downward revaluation of the DHJ assets, and particularly of its inventories and fixed assets, the net book value was \$5.8 million. This resulted in an excess of cost over the value of the net assets acquired of \$3.7 million, which appears in the consolidated balance sheet. It is our intention to apply the tax benefits mentioned earlier, when realized, against the excess cost of the acquisition.

During the year, the Company purchased \$750,000 of its 5½ % Series A Debentures and \$460,000 of its 6¾ % Series B Debentures. We have now accumulated \$2,518,000 and \$1,073,000 of the Series A and B Debentures respectively in anticipation of future sinking fund requirements.

In fiscal 1975, \$111,000 of the 5¾ % Convertible Debentures were presented for conversion to 9,990 common shares, bringing the total shares issued and outstanding to 7,798,482.

To refinance its acquisition of DHJ Industries Inc., the Company negotiated a seven-year term loan of US \$10 million with a Canadian chartered bank at a rate of interest which will vary with market rates. The loan is due in semi-annual instalments of \$500,000 commencing June 30, 1977 with a final instalment of \$5,000,000 on June 30, 1982.

Pursuant to tenders, during the year the Company purchased 3,255 preferred shares for cancellation, leaving 3,712 preferred shares outstanding.

Following approval by the shareholders, supplementary letters patent were obtained during the year reclassifying the common shares as Class A Convertible Shares and creating a new category, Class B Convertible Shares, which are mutually interchangeable. Depending on one's personal tax status, shareholders can now elect to hold the Class A shares and receive the normal dividend or to hold Class B shares and receive a tax-paid reduced dividend as described in the notes to the financial statements. At June 30, 1975, 277,106 Class A shares had been converted into Class B.

Shareholders' equity rose moderately to \$110.5 million at year-end, representing \$14.13 a share compared with \$13.82 per share a year ago.

ORGANIZATION

To fill the vacancy created by the retirement of Edward F. King, Ronald H. Perowne was elected Chairman of the Board, retaining the title of Chief Executive Officer. Thomas R. Bell was elected President and Chief Operating Officer.

A realignment of responsibilities in the financial organization resulted in the appointment of Ilay C. Ferrier as Vice-President, Financial Services, and of Richard B. Grogan as Comptroller.

To coordinate and consolidate the marketing efforts of the Industrial and Sales Yarn Division, Allan R. Evans was promoted to the position of Vice-President, Marketing of the Division.

W. James Ratcliffe has been appointed Vice-President and General Manager of the Lana Knit Division, which includes Hubbard Dyers.

To simplify and rationalize the operations of certain Canadian subsidiary companies, a corporate reorganization was recently completed and these companies will continue their operations, grouped into a single corporate entity, under the name Domil Industries Ltd.

Following the acquisition of DHJ Industries Inc., senior personnel of Dominion Textile Limited were appointed to executive positions in that company. Thomas R. Bell was appointed President and Chief Executive Officer, Charles A. McCrae was named Executive Vice-President, Finance & Administration, and Secretary, and David Friedlander was appointed Executive Vice-President, Knit Goods Division. Bert Schwarz, an officer of DHJ Industries before its acquisition, was appointed Executive Vice-President, Interlining Division. John A. Boland, Jr., continues as President and a director of Swift Textiles, Inc. All of the aforementioned are directors of DHJ Industries Inc.



Dominion Textile Limited
Financial Statements

Dominion Textile Limited

and Subsidiary Companies

CONSOLIDATED BALANCE SHEET

as at June 30

ASSETS

Current assets

Cash (Note 9)	\$ 6,712	\$ 6,408	\$ 304	\$ 530
Accounts receivable	83,545	32,800	50,745	60,224
Inventories (Notes 2 and 10)	136,638	36,073	100,565	100,028
Prepaid expenses	2,924	1,048	1,876	1,912
	<u>229,819</u>	<u>76,329</u>	<u>153,490</u>	<u>162,694</u>

Investment in DHJ Industries Inc.

— — 9,205 —

Loan to DHJ Industries Inc.

— — 2,059 —

Investment in affiliated companies

5,452 5,452 — —

Other investments and advances (Note 3)

5,145 80 5,065 5,322

Fixed assets — at cost

Land and buildings	84,466	5,356	79,110	72,767
Machinery and equipment	202,163	16,384	185,779	173,540
	<u>286,629</u>	<u>21,740</u>	<u>264,889</u>	<u>246,307</u>
Less: Accumulated depreciation	185,954	6,512	179,442	170,062
	<u>100,675</u>	<u>15,228</u>	<u>85,447</u>	<u>76,245</u>

Unamortized debenture expense

373 — 373 407

Excess of investment in subsidiaries
over net assets acquired

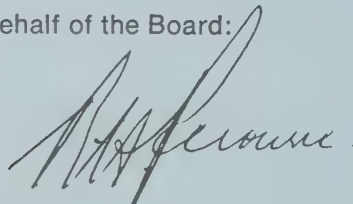
3,823 149 — —

Other assets

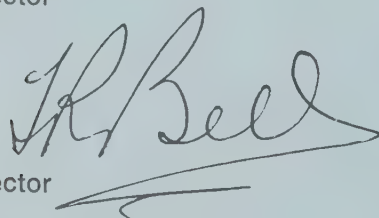
2,744 2,744 — —

\$348,031 \$ 99,982 \$255,639 \$244,668

On behalf of the Board:



Director



Director

LIABILITIES

Current liabilities

Bank indebtedness (Notes 4 and 11)	\$ 61,672	\$ 6,616	\$ 55,056	\$ 39,525
Short term notes	16,695	16,695	—	5,349
Accounts payable and accrued liabilities	30,831	14,495	16,336	20,287
Dividends payable	1,170	—	1,170	1,180
Income and other taxes	4,625	1,929	2,696	12,086
Long term debt due within one year	5,177	4,846	331	183
	<u>120,170</u>	<u>44,581</u>	<u>75,589</u>	<u>78,610</u>

Long term debt (Notes 5 and 12)	109,656	45,747	63,909	54,843
Loan from parent company	—	2,059	—	—
Deferred income taxes	5,687	109	5,578	2,803
Minority interest in subsidiary companies	1,993	1,658	38	75
DHJ Industries Inc. shareholders' equity	—	5,828	—	—

SHAREHOLDERS' EQUITY

Capital stock (Note 6)	20,774	—	20,774	20,989
Retained earnings	89,751	—	89,751	87,348
	<u>110,525</u>	<u>—</u>	<u>110,525</u>	<u>108,337</u>
	\$348,031	\$ 99,982	\$255,639	\$244,668

Dominion Textile Limited

and Subsidiary Companies

CONSOLIDATED STATEMENT OF INCOME

for the year ended June 30

	1975	1974
	<i>(in thousands of dollars)</i>	
Revenue		
Sales	\$273,355	\$336,243
Income from marketable securities and other investments	338	311
Profit on sale of fixed assets and marketable securities	50	201
	<u>273,743</u>	<u>336,755</u>
Expenses		
Operating	214,013	254,014
Selling, general and administrative	27,139	29,340
Depreciation	12,054	12,320
Interest		
Long term debt	3,159	3,029
Other	5,104	4,966
	<u>261,469</u>	<u>303,669</u>
Income before income taxes	12,274	33,086
Income taxes	5,156	14,333
Net income for the year	<u>\$ 7,118</u>	<u>\$ 18,753</u>
Per share, after preferred dividends (Note 8)	<u>\$ 0.91</u>	<u>\$ 2.40</u>

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

for the year ended June 30

	1975	1974
	<i>(in thousands of dollars)</i>	
Retained earnings at beginning of year	\$ 87,348	\$ 72,540
Net income for the year	<u>7,118</u>	<u>18,753</u>
	94,466	91,293
Deduct:		
Dividends –		
7% Preferred	36	51
Convertible and common	4,679	3,894
per common share	\$0.30	
plus \$0.30 per Class A share, or		
\$0.255 per Class B share and	\$0.30	
\$0.045 tax on Class B dividends	<u>\$0.60</u>	
(\$0.50 per common share in 1974)		
	<u>4,715</u>	<u>3,945</u>
Retained earnings at end of year	<u>\$ 89,751</u>	<u>\$ 87,348</u>

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

for the year ended June 30

	1975	1974
	<i>(in thousands of dollars)</i>	
Source of funds		
Net income for the year	\$ 7,118	\$ 18,753
Depreciation	12,054	12,320
Deferred income taxes	2,775	3,748
Cash generated from operations	21,947	34,821
Increase in long term debt	10,387	2,501
Decrease in marketable securities and advances	257	475
Working capital of acquired subsidiary	\$31,748	
Less: Loan to acquired subsidiary	2,059	
Other	217	1,892
	<u>\$ 62,497</u>	<u>\$ 39,689</u>
Use of funds		
Repayment of long term debt	\$ 1,321	\$ 1,401
Additions to fixed assets	21,691	17,825
Investment in a subsidiary	9,205	—
Dividends	4,715	3,945
	<u>\$ 36,932</u>	<u>\$ 23,171</u>
Increase in working capital	<u>\$ 25,565</u>	<u>\$ 16,518</u>

AUDITORS' REPORT

The Shareholders,
Dominion Textile Limited.

We have examined the consolidated balance sheet of Dominion Textile Limited and its subsidiaries as at June 30, 1975 and the consolidated statements of income, retained earnings and changes in financial position for the year then ended. For Dominion Textile Limited and those subsidiaries of which we are the auditors, our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. With respect to the foreign subsidiaries of DHJ Industries Inc. of which we are not the auditors, we have carried out such enquiries and examinations as we considered necessary in order to accept for purposes of consolidation the reports of the other auditors.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at June 30, 1975 and the results of their operations and changes in financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Touche Ross & Co.

Montreal, Quebec
July 31, 1975.

Chartered Accountants.

Dominion Textile Limited

and Subsidiary Companies

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 1975

Note 1 — Accounting policies

The following accounting policies are used by the Company in the preparation of the consolidated financial statements.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements are prepared in accordance with generally accepted accounting principles and include the accounts of all subsidiary companies, with provision for the interest of minority shareholders.

The acquisitions of all subsidiary companies are accounted for on a purchase basis and for subsidiary companies acquired prior to June 30, 1974 the net excess of the cost of the Company's investment over the aggregate net assets acquired has been written-off against retained earnings.

The Company acquired 94.9% of the shares of DHJ Industries Inc. in May 1975, at a price of US \$5.50 per share. As the fiscal year end of DHJ Industries Inc. is May 31, 1975 its assets and liabilities as at that date have been consolidated with those of the Company as at June 30, 1975 which results in an excess of cost over net assets acquired of \$3,674,000. As of May 31, 1975 DHJ Industries Inc. has an unrealized future tax benefit of approximately \$9,000,000 arising from loss carry-forwards incurred prior to acquisition being available to reduce future income taxes otherwise payable. It is the intention of the Company to apply this tax benefit when realized, to the extent necessary, to offset this excess cost of acquisition.

The Consolidated Statement of Income for the year ended June 30, 1975 does not include the operations of DHJ Industries Inc.

On consolidation all significant inter-company items are eliminated.

FOREIGN EXCHANGE

Current assets and liabilities in foreign currencies are converted at the exchange rates prevailing at the balance sheet date. Fixed assets and long term liabilities are converted at rates prevailing at the dates of acquisition. Income and expenses in foreign currencies are converted at the actual exchange rates prevailing at the dates of transactions or at average exchange rates for the year.

CONSISTENCY

The accounting principles are consistently followed from year to year except for occasional changes to reflect improved accounting practices, in which case the effect of any material change is duly indicated.

INVENTORY VALUATION

Materials and supplies in inventories are valued at the lower of average cost and net realizable value. The cost of work in process and finished goods inventories includes raw materials, direct labour and certain manufacturing overhead expenses. Adequate provision is made for slow-moving and obsolete inventories.

MARKETABLE SECURITIES

Marketable securities are valued at average cost and when they are sold, the resulting gain or loss is included in net income.

FIXED ASSETS AND DEPRECIATION

Fixed assets are stated at historical cost. Depreciation is provided on a straight-line basis at rates which amortize the cost of the assets over their economic life.

When fixed assets are sold or scrapped, the cost of the asset and the related accumulated depreciation are removed from the accounts and the resulting gain or loss on disposal is included in net income.

PENSIONS

The Company provides pensions for its employees. The hourly-paid employees are covered by non-contributory plans. There are a number of pension plans for salaried employees of the Company and its subsidiaries both of a contributory and non-contributory nature. All pension plans are trustee and are being funded. The current service cost portion of these plans is absorbed in the period in which the service that gives rise to the entitlement is rendered. The present value of the unfunded past service pension liability is estimated to be \$4,190,000 at June 30, 1975 and is to be amortized on a systematic basis.

Pension payments made to retired employees who are not covered by these plans are charged to operations when paid.

NOTES 2 TO 6 REFER TO THE CONSOLIDATED BALANCE SHEET OF THE COMPANY EXCLUDING DHJ INDUSTRIES INC.

Note 2 — Inventories

	1975	1974
	<i>(in thousands of dollars)</i>	
The main inventory classifications are as follows:		
Raw materials	\$ 21,531	\$ 34,822
Work in process, including greys in bales for further processing	40,149	35,111
Finished goods	31,798	24,597
Supplies	7,087	5,498
	<u>\$100,565</u>	<u>\$100,028</u>

Note 3 — Other investments and advances

	1975	1974
	<i>(in thousands of dollars)</i>	
Marketable securities — at average cost	\$ 4,337	\$ 4,492
(market value 1975 — \$4,325,000 1974 — \$4,364,000)		
Other investments and advances — at cost	728	830
	<u>\$ 5,065</u>	<u>\$ 5,322</u>

Note 4 — Bank indebtedness

Bank borrowings of \$2,842,000 by a subsidiary company are secured by assignment of inventory and accounts receivable.

Note 5 — Long term debt**1975** **1974***(in thousands of dollars)***Secured**

5½ % Sinking Fund Debentures, Series A due March 31, 1988

Authorized and issued

\$32,000,000 less purchased for retirement

\$ 23,722 **\$ 24,472**

Sinking Fund payments of \$960,000 are due March 31 in each of the years 1976 to 1987. (The Company has purchased \$2,518,000 principal amount of debentures in anticipation of these payments.)

6¾ % Sinking Fund Debentures, Series B due April 15, 1990

Authorized and issued

\$12,500,000 less purchased for retirement

9,927 **10,387**

Sinking Fund payments of \$375,000 are due April 15 in each of the years 1976 to 1989. (The Company has purchased \$1,073,000 principal amount of debentures in anticipation of these payments.)

Other mortgages and secured loans

2,917 **2,679**

The debentures are secured by a floating charge on all the assets (except real and immovable properties) of the Company and certain subsidiaries.

Unsecured

5¾ % Convertible Debentures due October 12, 1992

Authorized and issued

\$15,000,000 less conversions to date

14,876 **14,987**

Seven-year term note, due 1977 to 1982, at interest rates which fluctuate with changes in the New York prime rate or the London Inter-Bank rate at the Company's option. The interest rate in effect at June 30, 1975 was 8.2%. (US\$10,000,000)

10,298 **—**

9½ % term note, due 1976 to 1984

2,500 **2,501****64,240** **55,026**

Deduct: Amounts due within one year –
included in current liabilities

331 **183****\$ 63,909** **\$ 54,843****Note 6 — Capital stock****1975** **1974***(in thousands of dollars)*

7% Cumulative Preference

Authorized – 8,613 shares \$100 par value

Outstanding – 3,712 shares (1974 – 6,967 shares)

\$ 371 **\$ 697**

Convertible – no par value

Authorized – 22,500,000 Class A shares

22,500,000 Class B shares

(1974 – 22,500,000 common shares)

Issued – Class A – 7,521,376 shares

Class B – 277,106 shares

7,798,482 shares (1974 – 7,788,492 common shares) **20,403** **20,292**

a) The authorized capital stock of the Company was altered as shown above by supplementary letters patent dated November 8, 1974.

The Class A and Class B shares are voting, convertible into one another on a share for share basis and rank equally in all respects with the exception of the payment of dividends. The dividends on the Class B shares are paid out of "tax paid undistributed surplus on hand" or "1971 capital surplus on hand" as defined in the Income Tax Act. The Company can create "tax paid undistributed surplus on hand" by paying a 15% tax on a portion of its "1971 undistributed income on hand". To compensate for this tax, such dividends will be 15% less in amount than the equivalent Class A dividends. Canadian shareholders will not be required to include such dividends in their taxable income. A corresponding decrease in the cost base will increase capital gains on disposal of the shares.

- b) The Deeds of Trust and Mortgage relating to the Series A and Series B Debentures contain certain restrictions, customarily found in Deeds of this type, pertaining to the amount of long term debt which may be issued, the declaration or payments of dividends and the reduction of capital. At June 30, 1975, the amount of shareholders' equity not restricted under the terms of the Trust Deeds was \$39,558,000. 1,338,840 of the authorized Class A and Class B shares are reserved for the possible conversion of convertible debentures at any time up to October 11, 1982.

Note 7 — Statutory information

	1975		1974	
	<i>(in thousands of dollars)</i>		<i>(in thousands of dollars)</i>	
	Number	Amount	Number	Amount
Remuneration of Directors and Officers				
As Directors of the Company	13	\$ 66	12	\$ 48
As Officers of the Company	25	1,203	21	1,468
Officers who are also Directors	4		3	

Note 8 — Earnings per share

If the 5¾ % convertible debentures had been converted on July 1, 1974, the earnings per share would have been \$0.83 for the year ended June 30, 1975.

NOTES 9 TO 14 REFER TO DHJ INDUSTRIES INC. ONLY

Note 9 — Cash

Cash includes approximately \$3.4 million representing deposits at the Bank of Italy required by Italian import legislation. This legislation was repealed in March 1975 and the deposits are to be reimbursed by September 1975.

Note 10 — Inventories

	1975
	<i>(in thousands of dollars)</i>
The main inventory classifications are as follows:	
Raw materials	\$ 15,374
Work in process	6,635
Finished goods	14,064
	<u>\$ 36,073</u>

Note 11 — Bank indebtedness

Bank borrowings of \$10,656,000 are secured by assignment of inventory and accounts receivable.

Note 12 — Long term debt**1975***(in thousands of dollars)*

Subject to agreements with creditors (see below)

Term notes payable to banks and insurance companies	\$ 19,025
No repayment of principal for three years ending May 1978.	
Interest payable at 2% per annum. Secured by a second charge on the shares of certain subsidiaries.	
Trade creditors	12,503
Payable in instalments over three and one half years ending November 1978.	
5% term note due 1975 to 1978	586
Term notes payable 1976 to 1979	1,603
Interest at rates which fluctuate with the prime rate	
Term note payable 1976 to 1979	1,494
Interest at 2% above prime rate	
Term note payable February 1977	3,085
Interest at 2% above prime rate	
Term note payable November 1978	2,059
Interest at 3% above prime rate	
Secured by a first charge on the shares of certain subsidiaries	
Term note payable February 1979	4,499
Interest at 2% above prime rate	
Other long term liabilities	5,739
	50,593
Deduct: Amounts due within one year – included in current liabilities	4,846
	\$ 45,747

On May 21, 1975, DHJ Industries Inc. entered into certain agreements with its creditors which extended the terms of payment on a substantial portion of its outstanding indebtedness. The provisions of these agreements impose certain restrictions on DHJ Industries Inc. and require that it:

- 1) maintain working capital and net worth above certain minimum levels,
- 2) maintain the ratio of debt to net worth within prescribed limits, and
- 3) limit operating losses (defined to exclude most non-cash charges) which may be incurred by the operations of DHJ Industries Inc. and certain subsidiaries in the United States.

Dominion Textile Limited has the option of making additional convertible subordinated loans to DHJ Industries Inc. if necessary to maintain these requirements.

Note 13 — Leases

The total obligation for building and equipment leases which expire at various dates from 1976 to 1998 is \$44 million. The maximum annual rental commitment in any one year is \$4.3 million.

Note 14 — Contingencies

Notes receivable discounted by foreign subsidiaries amount to approximately \$2.4 million. A foreign subsidiary has guaranteed obligations of certain affiliates to a maximum of \$1.2 million.

Ten-Year Review

Results for the year <i>(in millions of dollars)</i>	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966
Sales	\$273.4	\$336.2	\$257.3	\$228.0	\$191.4	\$167.8	\$173.3	\$172.2	\$129.6	\$178.3
Income (loss) before income taxes	12.3	33.1	15.8	14.2	8.0	4.8	3.3	(1.7)	(10.5)	14.3
Income taxes (credit)	5.2	14.3	7.0	7.0	3.7	1.5	(1.8)	(6.2)	(7.0)	5.1
Net income (loss) before extraordinary item	7.1	18.8	8.8	7.2	4.3	3.3	5.1	4.5	(3.5)	9.2
Tax credit resulting from loss carry-forward	—	—	—	—	.9	1.3	—	—	—	—
Net income (loss) for the year	7.1	18.8	8.8	7.2	5.2	4.6	5.1	4.5	(3.5)	9.2

Interest on long term debt	3.2	3.0	3.0	2.4	2.7	2.9	3.1	3.2	2.0	2.1
Cash generated from operations	21.9	34.8	24.6	22.2	16.4	14.4	12.8	7.6	3.2	18.6
Additions to fixed assets	21.7	17.8	24.7	11.7	6.7	4.8	2.8	3.3	19.3	31.1
Depreciation	12.1	12.3	11.0	10.6	10.0	9.6	9.6	9.5	9.3	8.7

Year-end position *(in millions of dollars)*

Working capital	109.6	84.1	67.6	54.7	52.3	48.5	47.4	45.2	43.4	40.4
Fixed assets – at cost	286.6	246.3	230.3	201.8	186.0	181.0	177.0	178.2	180.8	163.6
Long term debt	109.7	54.8	53.7	38.8	40.0	43.3	45.4	49.5	52.0	32.0
Shareholders' equity	110.5	108.3	93.6	88.3	85.8	84.2	81.6	78.2	75.7	80.7

Statistics per convertible share *(in dollars)*

Net income (loss)	.91	2.40	1.12	.92	.66	.59	.64	.56	(.47)	1.17
Cash generation	2.81	4.46	3.15	2.84	2.10	1.84	1.63	.96	.40	2.38
Dividends	.60	.50	.37	.30	.27	.20	.20	.27	.33	.42
Book value	14.13	13.82	11.92	11.24	10.91	10.70	10.31	9.87	9.55	10.18

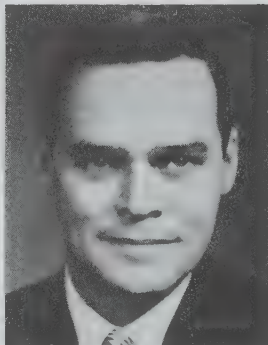
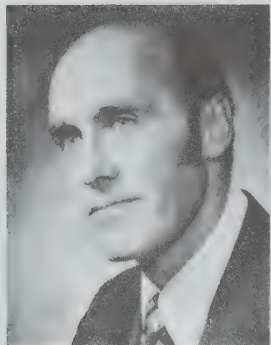
Other statistics

Working capital ratio	1.91	2.07	1.89	1.85	2.03	2.04	2.03	1.90	1.71	1.89
Net income (loss) as a percentage of sales	2.6	5.6	3.4	3.2	2.7	2.8	2.9	2.6	(2.7)	5.2
Net income (loss) as a percentage of average shareholders' equity for the year	6.5	18.6	9.6	8.3	6.1	5.6	6.4	5.8	(4.5)	11.8
Number of shareholders	6,264	6,218	6,371	5,757	6,602	6,947	7,128	7,098	6,766	6,790

Directors and Officers



From left to right:
Jean Béliveau
Thomas R. Bell
J. Claude Hébert
Roderick O. A. Hunter



Charles A. McCrae
D. Ross McMaster
Cal N. Moisan
Arthur Pascal



Ronald H. Perowne
David F. Sobey
Kenneth A. White

Directors

Jean Béliveau, Montreal
Vice-President
Club de Hockey Canadien, Inc.

*Thomas R. Bell, Montreal
President and Chief Operating Officer
Dominion Textile Limited

*J. Claude Hébert, Montreal
Chairman of the Board and Chief Executive Officer
Bombardier Limited

Roderick O. A. Hunter, Winnipeg, Manitoba
Vice-President
James Richardson & Sons, Limited

Charles A. McCrae, Montreal
Group Vice-President – Finance
Dominion Textile Limited

*D. Ross McMaster, Q.C., Montreal
Partner
McMaster, Meighen, Minnion, Patch, Cordeau,
Hyndman & Legge

Cal N. Moisan, Montreal
President and General Manager
Standard Paper Box Ltd.

Arthur Pascal, Montreal
Vice-President and Chief Executive Officer
The J. Pascal Hardware Co. Limited

*Ronald H. Perowne, Montreal
Chairman of the Board and Chief Executive Officer
Dominion Textile Limited

David F. Sobey, Stellarton, Nova Scotia
President
Sobeys Stores Limited

Kenneth A. White, C.D., Montreal
President and Chief Executive Officer
The Royal Trust Company

*Member of the Executive Committee

Officers

Ronald H. Perowne
Chairman of the Board and Chief Executive Officer
Thomas R. Bell
President and Chief Operating Officer

Charles A. McCrae
Group Vice-President – Finance
Arthur P. Earle
Group Vice-President – Subsidiaries

Robert M. Wilson
Vice-President, General Manager –
Industrial and Sales Yarn Division

William A. McVey
Vice-President, General Manager –
Apparel and Consumer Products Division

Francis P. Brady, Q.C.
Vice-President – General Counsel

Harry Braid
Vice-President – Marketing,
Consumer Products and Fabrics

Hubert Chatelois
Vice-President – Manufacturing,
Industrial/Sales Yarn Division

Allan R. Evans
Vice-President – Marketing,
Industrial/Sales Yarn Division

Ilay C. Ferrier
Vice-President – Financial Services

William N. Gagnon
Vice-President – Administration

W. Hood Gambrell
Vice-President – Finishing Plants

Robert W. Kolb
Vice-President – Development Research

Alex R. McAslan
Vice-President – Operation Services

Lawrence G. McDonough
Vice-President – Manufacturing,
Apparel/Consumer Division

Lester J. Smith
Vice-President – Fibre Procurement

William D. Whittaker
Vice-President – Marketing,
Apparel Fabrics

Clifton Beck
Secretary

Stephen J. Weir
Treasurer

Richard B. Grogan
Comptroller

Laurie W. Alnwick
Assistant Treasurer

Plants and Subsidiary Companies

APPAREL AND CONSUMER PRODUCTS DIVISION

Greige fabric plants

Caldwell, Iroquois, Ontario
Roland Johnson, Manager
Terry towels, towelling and bath mats

Domil, Sherbrooke, Quebec
Gordon McD. Shaw, Manager
Fabrics for men's and women's sportswear, rainwear and
outerwear; shirtings; filament mattress ticking

Gault, Valleyfield, Quebec
Gordon Largy, Manager
Cotton and polyester/cotton drills, twills and
drapery fabrics

Long Sault, Long Sault, Ontario
Bernard Hamel, Manager
Polyester/cotton broadcloths, outerwear and sportswear
fabrics

Magog, Magog, Quebec
Roger Bouchard, Manager
Cotton broadcloths; cotton and polyester/cotton print
cloth and broadcloths; industrial fabrics

Richelieu, St. Jean, Quebec
Marc Théberge, Manager
Cotton and polyester/cotton broadcloths, twills,
casement sateens, poplins and pocketings

Sherbrooke, Sherbrooke, Quebec
Raymond Bégin, Manager
Cotton and polyester/cotton sheeting for
sheets, pillow slips and chenille; industrial fabrics

Converting and finishing plants

Magog Print Works, Magog, Quebec
Robert L. Cooney, Manager
"A" Division: bleaching, dyeing, printing and
finishing cotton and blend fabrics (including corduroys)
Consumer Division: sheets, pillow slips, towels and
blankets

Beauharnois Finishing, St. Timothée, Quebec
A. Richard Tremaine, Manager
Bleaching, dyeing and finishing; cotton and blend
fabrics

INDUSTRIAL AND SALES YARN DIVISION

Sales yarn plants

Combed and carded; cotton, man-made and wool;
natural, bleached and dyed

Domil, Sherbrooke, Quebec
Raymond Nicol, Manager

Long Sault, Long Sault, Ontario
René Laurendeau, Manager

St. Anns, Montreal, Quebec
Camille Beaulieu, Manager

Salaberry, Valleyfield, Quebec
Jos.-E. Huot, Manager

Tremont, Montreal, Quebec
Gaétan Raiche, Manager

Mount Royal Dyehouse, Montreal, Quebec
Alphonse G. Kelada, Manager

Greige fabric plants

Drummondville, Drummondville, Quebec
Raymond Charlebois, Manager
Fabrics of cotton and man-made fibres or filaments for
automotive, abrasive, buff and filter use; tire cord
and chafer fabrics; ducks for tarpaulins, conveyor
belting and industrial hose; industrial yarn and
V-belt cords

Montmorency, Montmorency, Quebec
Reynald Leduc, Manager
Cotton sales yarn and twines; cotton and blend
flannelette blankets; towelling; industrial greige cloth

Yarmouth, Yarmouth, Nova Scotia
André Trachy, Manager
Ducks of cotton, man-made fibres or filaments for
tarpaulins, conveyor belting and industrial hose; cotton
and blend industrial greige fabrics; sales yarn

SALES AND SERVICE

Dominion Textile Company (U.K.) Limited, London, England
Barry J. Robinson, Director
Company's selling agent for United Kingdom and Europe

Howard Cotton Company, Memphis, Tennessee
Herman F. Riddle, President
Purchases raw cotton for the Company and subsidiaries
in world markets

Textile Management Services Inc., Montreal, Quebec
Robert E. Jones, Director of Industrial Engineering
Provides industrial engineering and in-process quality
control services as well as undertaking general
management consulting assignments for the Company
and its subsidiaries

SUBSIDIARIES

DHJ Industries Inc., New York, New York

Thomas R. Bell, President and Chief Executive Officer
Charles A. McCrae, Executive Vice-President, Finance & Administration, and Secretary
Bert Schwarz, Executive Vice-President, Interlining Division
David Friedlander, Executive Vice-President, Knit Goods Division
Harry Krieger, Vice-President, Cut Linings
Robert A. Lankenau, Vice-President and Treasurer
Charles T. Marth, Jr., Vice-President, International Division

Die-cut interlinings and interfacings; pocketings; shirtings; fusibles; plastic moulding; disposable hospital garments

Plants: Collierville, Tennessee; Greenville, South Carolina; Long Island City, New York; Plymouth, Massachusetts; Quanah, Texas

DHJ Knitting and Finishing Co. Inc., Hickory, North Carolina and Monroe, Louisiana
David Friedlander, Vice-President and General Manager
Double knit fabrics

Swift Textiles, Inc., Columbus, Georgia
John A. Boland, Jr., President
Indigo-dyed denim

DHJ Canadian Ltd., Montreal, Quebec
Albert E. Wilcox, Vice-President and General Manager
Interlining fabrics

DHJ Industries Deutschland GmbH, Bielefeld, West Germany
Dr. Ferdinand Langenkamp, General Manager
Interlining fabrics and die-cut linings

DHJ Industries Europe S.A., Paris, France
George Vukotic, President and Director General
Interlining fabrics

DHJ Italy Distribution SPA, Milan, Italy
Ercole Morino, Managing Director
Interlining fabrics and die-cut linings

Dubin-Haskell-Jacobson de Argentina, S.A.C.I., Buenos Aires, Argentina
O. Rafael Soler, Managing Director
Interlining fabrics and die-cut linings

Affiliates: Australia, Austria, Botswana, Brazil, Chile, Colombia, Hongkong, Japan, Mexico, Portugal, Singapore, South Africa, Spain, United Kingdom, Venezuela

Domil Industries Ltd., Montreal, Quebec
Arthur P. Earle, President
George H. Hughes, Vice-President

Esmond Division, Granby, Quebec
Frank H. Boone, Vice-President and General Manager
Blankets, bedspreads and draperies

Fiberworld Division, Hawkesbury, Ontario
Joseph M. Vesely, Vice-President and General Manager
Polypropylene carpet backing; polyolefin industrial fabrics

Lana Knit Division, Montreal, Quebec
W. James Ratcliffe, Vice-President and General Manager
Double and single knit fabrics of man-made and natural fibres and blends

Hubbard Dyers Division, Montreal, Quebec
Ian Roulston, General Manager
Commission dyeing, finishing and transfer printing

Penmans Division, Brantford and Paris, Ontario; St. Hyacinthe, Quebec
Robert E. Evans, President
Men's, ladies' and children's knit underwear and sportswear; industrial knits

Jaro Manufacturing Company Limited, Woodstock, Ontario
Harold Hargreaves, General Manager
Non-woven fabrics of man-made fibres

